

May – June 2019

# Money Moxie®

TAILORED FINANCIAL STRATEGIES FOR YOUR LIFE

## *REDEFINE WEALTH*

*WHAT SUCCESSFUL FAMILIES  
DO DIFFERENTLY*

 **SMEDLEY  
FINANCIAL  
SERVICES, INC.®**

Trusted Since  
1982

## ***Women Face Unique Challenges. Good Decisions are Essential.***

Dear valued clients and friends,

This year marked the 4th anniversary of our *Just for Women* conference and the launch of Smedley Financial's *Just for Women* community. Hooray!

We want to thank the women who have participated in our community. Together, we have created a meaningful experience that engages, empowers, and educates women of all ages and from all social and economic backgrounds.

Women face many unique challenges when it comes to financial security: longer life expectancies; the likelihood that they will be in the driver's seat, financially speaking; reduced pension payouts and retirement account balances due to periods away from the workforce to raise children or care for an aging parent. This reality makes it even more important that they set precedence regarding finances. Women should become more educated, build financial confidence, and most importantly—make good financial decisions.

Good decision-making will have a more significant impact on financial success than skill and talent combined, regardless of your gender. Dalbar, an independent research firm, has confirmed this. Their 25 years of research has found that investors' performance has suffered significantly due to poor decision-making. Decisions which have been emotionally based or made in the "heat of the moment" tend to end with poor results.

This issue recaps some of the highlights of our *Just for Women* conference. If you were not able to attend, please make it a priority to join us next year — mark your calendar for May 8, 2020. Hopefully, our women's community will help ignite a financial passion in everyone who participates.



Sharla J. Jessop, CFP®  
President

P.S. If you would like to receive our *Just for Women – Money Matters* email, send us a request at [info@smedleyfinancial.com](mailto:info@smedleyfinancial.com). Provide your name and email, and we'll make sure you receive the next issue.

## ***Heritage Planning Webinar—Sharing Your Values***

**Tuesday, June 11, 2019**  
**12:00 PM**

Go to [JoinWebinar.com](http://JoinWebinar.com) and enter code **355-425-283** and your email to join.  
Mark your calendar and plan to attend.

***Sharing your Values***

***Emotional Intelligence***

***Investment Update***



# Heritage Planning

## What Successful Families Do Differently

We all have loved ones who we want to succeed after we have passed on. How do we prepare them to use our hard-earned savings in a healthy way?

Heritage planning encompasses passing on your “wealth” to your heirs without controlling or enabling them. The process begins by redefining “wealth.”

Your wealth is human, intellectual, and financial capital. It is who you are and what you value. You can improve the life of your loved ones by passing these principles to them along with financial assets.

Many people are curious about how to start heritage planning with their families. These are six steps to focus on:

1. Redefine wealth as financial capital, human capital, and intellectual capital.
2. Use a 7<sup>th</sup> generation mentality.
3. Pass on your values through stories.  
(Above is the word cloud of values from our participants.)
4. Teach your children to give.
5. Teach your children how to manage financial risks.
6. Focus on the qualitative and not on the quantitative.

Please call us if you would like to schedule an appointment to discuss how we can help you get started with heritage planning in your family.



***“Families can create purpose, unity, and a changed perception of money by working together.”***

By Mikal B. Aune, CFP®

# This Is What We Recommend In an Old Bull Market



By James R. Derrick Jr., CFA®

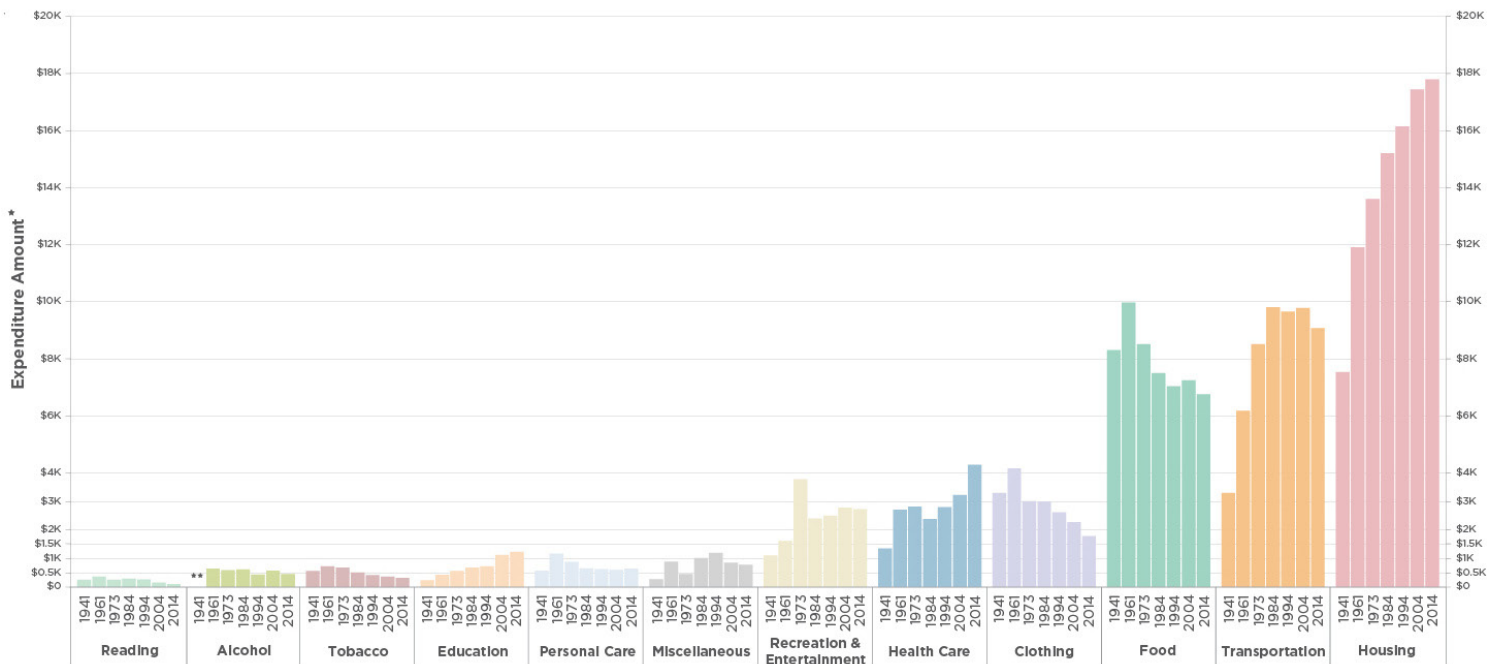
Economies fluctuate. They always have. They probably always will. These cycles are imperfect and a little chaotic. That's what makes them so difficult to predict.

Most people would say we are currently in a bull market and we have been in it since March of 2009. That makes it over 10 years old and the longest bull market ever.

Bull markets don't die of old age. However, some of the current data is positive, and some is negative. That means a recession in the next twelve months is unlikely, but we should expect a rough road ahead.

What should we be doing ten years into an economic expansion? We should get our finances in order. That means more than just our investment portfolios. We should take a good look at all of our savings and spending as well.

## 75 Years of How Americans Spend Their Money



\* Inflation Adjusted  
 \*\*Alcohol Spending was included in the category of Food Spending in 1941

Article & Source:  
<https://howmuch.net/articles/american-spending-past-75-years>  
<https://www.bls.gov/cex/>

# 2019 Outlook: Patience Will Pay Off

Presented by Max McQuiston (American Funds). Recap by Jordan R. Hadfield.

*“The stock market is a device for transferring money from the impatient to the patient.”*

This statement by Warren Buffett is educational and relevant today. When markets move downward, investors become uncomfortable. But during recessionary times, investors may panic. Companies pull back, people lose jobs, and stock declines can become sharp.

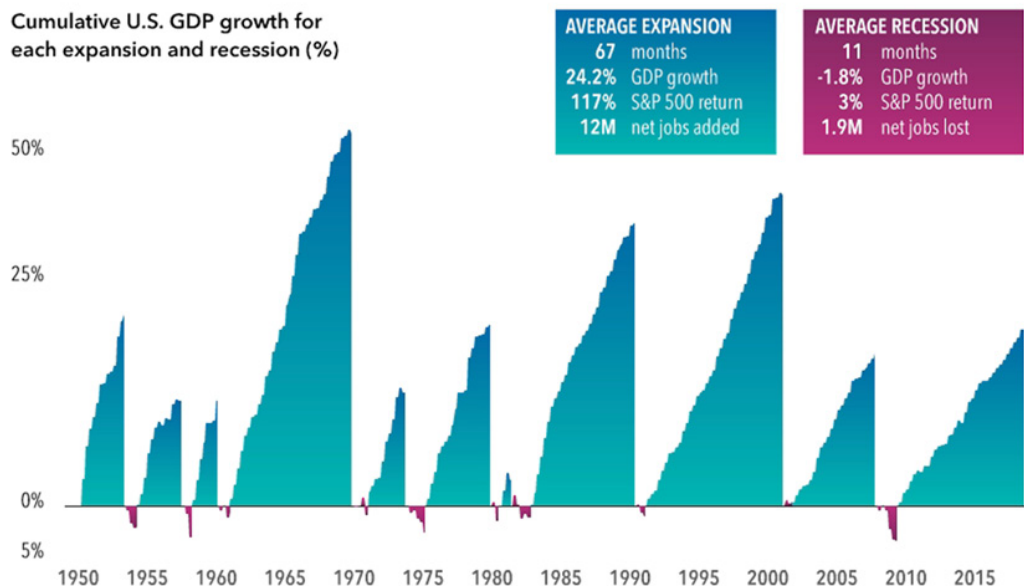


The U.S. is now late in that cycle, meaning we are coming closer to the end of a growth period. But if we look at the big picture, how damaging are recessions? How often do they occur? And how should investors handle them?

Since 1950, the average expansion lasted 67 months (5.6 years) and had an average GDP growth of 24 percent. The current expansionary period is one of the longest in history, currently 10 years in length. But it has also had one of the slowest average growth rates and is still far from the largest in total growth. Capital Group believes this has prevented the major imbalances that cause recessions from materializing. However, they do admit that the risk of recession will continue to grow until its inevitable arrival.

The average recession has lasted only 11 months and had a GDP decline of 1.8 percent. The contrast, as you can see in the graph provided, is immense. Yet the fear that those relatively small declines bring is often greater than their positive counterpart. The truth is, opportunities are developing in declining markets, and the strongest rallies are generally found right after a recession.

Cumulative U.S. GDP growth for each expansion and recession (%)



The general rule is this: Stay invested. Those who deviate from their financial plans are those who Warren Buffett calls “impatient investors.” If you stick with your plan, the odds of success will greatly be in your favor and the money transferring from the impatient will be to you, the patient investor.

Sources: Capital Group, National Bureau of Economic Research, Thomson Reuters. As of 9/30/18. Month-end values used for S&P 500 returns. Nearest quarter-end values used for GDP growth logarithmic scale.  
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By Sharla J. Jessop, CFP®

# Is Your Brain Risking Your Financial Success?

The world is full of information, yet our brains are only capable of processing a certain amount. If we had to analyze every aspect of every situation or decision, we would never get anything done. In order to cope, our brains have created shortcuts to help us make sense of things. These cognitive shortcuts – known as heuristics – are rules of thumb or educated guesses. In many cases, being approximately right is good enough. However, there are times when these shortcuts are not good. Recognizing when they are creeping into our decision-making will help us determine if they are helpful or hurtful in our current situation. This is critical when it comes to your money.

## Overconfidence



While confidence is good, overconfidence exaggerates our abilities and can cause us to underestimate the risk of being wrong. For example, you may pick a stock that is growing. If the stock price continues to go up, you conclude that you have a good strategy or a natural talent. However, when the stock plummets, you distance yourself from the truth, believing it was just bad luck. An overconfident person may even repeat the same mistake over and over again.

## Framing



When we have already made up our minds, we place our existing perspective on all new information that comes our way. For example, expecting a drop in the stock market, you put a negative spin on any good news. People who frame eventually get a big surprise when they find out the cost of being wrong.

## Anchoring



Every one of us has experiences that form our opinions. When we anchor ourselves to these opinions, we ignore anything that doesn't fit our views. If you lost money investing in a recession, you might conclude that the stock market is too risky. Even when presented with a better perspective of its potential growth, you may still feel like there is too much risk.

## Herding



Have you ever found yourself doing something you would not do on your own? Going along with what a larger group is doing, whether those actions are rational or not, even in the face of unfavorable outcomes is known as herding. You hear that investors are selling, so you sell, or you hear they are buying, so you buy more without considering how it impacts your financial plan.

# Instant Pot Cooking

By Lynette S. Watts

We had the excellent opportunity to hear from Alex Daynes at our *Just for Women* conference. Alex is a self-taught food blogger and a monthly contributor on Fox 13 and Studio 5. She has always loved to cook, and it shows.

She is an expert in Instant Pot cooking and taught us the basics of how to use the Instant Pot. She then taught us three easy recipes that we can make on our own; Chicken Coconut Curry, Spicy Green Beans, and Mango Sticky Rice.

If you would like the recipes, give us a call, or you can check out her blog at: [myownmealplan.blogspot.com/](http://myownmealplan.blogspot.com/)



# Rock Steady Boxing

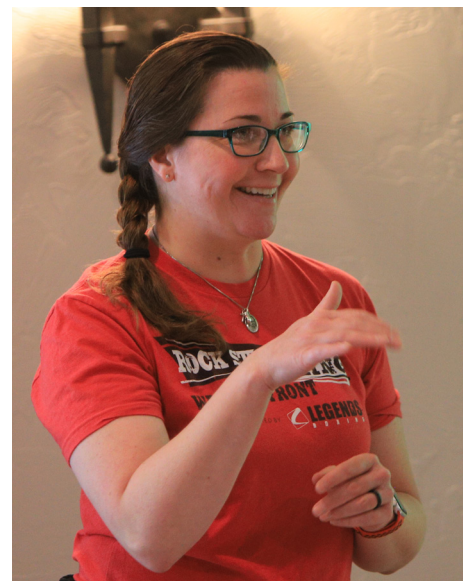
By Leah Nelson

We had the opportunity to hear and participate in a presentation given by Sherrie Bickley, a coach for Rock Steady Boxing. Rock Steady Boxing is a fitness class designed specifically for people with Parkinson's disease.

The program focuses on specific skills and motions that are difficult to do or that begin to deteriorate when someone has Parkinson's. They practice vocalization and learn how to get up off the floor if they fall. They learn the benefits of living a healthy and active life, along with the benefits boxing can have for people diagnosed with Parkinson's disease.

The results Sherrie has seen have been incredible. We even got to meet one of the boxers in a Rock Steady Boxing class and hear how it has improved his life!

Sherrie showed us what she called "the world's shortest boxing class." We learned a few boxing punches, and she took us through the basic outline of what she does in a Rock Steady Boxing class. We had a great time learning about boxing!



# Your SFS Team

Smedley Financial Services, Inc.® is an independent registered investment advisory firm. We work for our clients. Our wealth managers have the flexibility to implement our financial plans, retirement plans, and income distribution plans using the strategies that work towards each client's needs and goals. We work with individuals, businesses, and family estates. We provide financial solutions for your life.

## Wealth Accumulation

- Managed Accounts
- Indexed Investing
- Mutual Funds
- Exchange Traded Funds (ETFs)
- Stocks and Bonds
- Alternative Investments

## Disability (Injury)

- Short-Term Disability Insurance
- Long-Term Disability Insurance

## Family Protection

- Term Insurance
- Whole Life Insurance
- Universal Life Insurance
- Variable Universal Life Insurance

## Elder Care

- Long-Term Care Insurance
- Hybrid LTC

## Retirement

- Social Security Maximization Strategies
- Medicare Supplement
- Guaranteed Income (Annuities)
- Lifetime Income Planning

## Employers and Self Employed

- Health Insurance
- 401(k) Plans



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Shane P. Thomas  
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Joined 2018



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